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No. 91-971

IN THE
Supreme Court of the United States
OCTOBER TERM, 1991

TWO PESOS, INC.,
Petitioner,
v.

TACO CABANA INTERNATIONAL, INC.,
and TACO CABANA, INC.,
Respondents.

On Writ of Certiorari to the
United States Court of Appeals
for the Fifth Circuit

**MOTION OF RESPONDENTS TO DISMISS THE WRIT
AS IMPROVIDENTLY GRANTED**

RICHARD G. TARANTO
(Counsel of Record)
H. BARTOW FARR, III
JOEL I. KLEIN
KLEIN, FARR, SMITH & TARANTO
2550 M Street, N.W.
Washington, D.C. 20037
(202) 775-0184

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Respondents hereby request that the Court dismiss the petition for a writ of certiorari as improvidently granted. The basis for this motion is a ground arising after this Court's grant of the petition, limited to Question 1, on January 17, 1992. *See, e.g., Montgomery v. Century Laminating, Ltd.*, 444 U.S. 987 (1979); *New York State Parole Board v. Coralluzzo*, 435 U.S. 912 (1978); R. Stern, E. Gressman, & S. Shapiro, *Supreme Court Practice*, § 6.37, at 393 (6th ed. 1986); *id.* § 16.8(b), at 647.¹

¹ Although Rule 15.4 of the Rules of this Court (formerly Rule 22.3) provides that "[n]o motion by a respondent to dismiss a petition for a writ of certiorari will be received," that provision is properly understood to indicate simply that any *pre-grant* objec-

On January 17, 1992, this Court granted certiorari to review the decision of the Fifth Circuit in *Taco Cabana International, Inc. v. Two Pesos, Inc.*, 932 F.2d 1113 (1991). The Court limited the grant to Question 1 of the petition. In that question, petitioner asked the Court to decide whether the trade dress of respondents' Mexican-style restaurants was outside the protection of Section 43(a) of the Lanham Act, 15 U.S.C. § 1125(a), because "secondary meaning" in the Texas market was not shown, even though the jury found the trade dress to be "inherently distinctive." Pet. i.²

tions to the granting of a petition should be made in the brief in opposition, rather than by motion to dismiss. (Rule 15 as a whole is concerned with briefs in opposition, reply briefs, and supplemental briefs prior to the granting of a petition; and the second sentence of Rule 15.4, immediately following the above-quoted sentence, specifically makes the point that "[o]bjections to the jurisdiction of the Court to grant a writ of certiorari may be included in the brief in opposition.") Rule 15.4 thus should not be read to preclude a post-grant motion to dismiss on newly available grounds: otherwise, a respondent would be precluded from bringing to the Court's attention intervening developments, such as new legislation or elimination of a lower-court conflict, that might render the case moot or otherwise appropriate for dismissal of the writ.

Thus, the leading treatise on Supreme Court practice states that "after the petition for certiorari has been granted or the Court has ruled upon the jurisdictional statement in an appeal, a motion to dismiss may be received if not based upon grounds already advanced." R. Stern, E. Grossman, & S. Shapiro, *supra*, at 647. See also *id.* at 393 ("Many years ago the rules provided that after a writ of certiorari was granted a respondent might move to dismiss the writ for reasons not already advanced in opposition to the granting of the writ. The present rules contain no such provision, but such a motion may still be available. In any event, it would be justifiable only when there are new or newly discovered circumstances such as those which cause the Court to dismiss a writ as improvidently granted (see Sec. 5.15, *supra*).").

² A trademark, service mark, or trade dress has "secondary meaning" when, through extensive enough use, it comes to be identified in consumers' minds with a particular source of a product or service, even if, prior to such use, consumers would understand the mark or dress as "merely descriptive" of features of the product or serv-

Petitioner asserted that the courts of appeals were in conflict on whether proof of secondary meaning is an indispensable requirement in trade dress cases. Pet. 8. Respondents, while noting that most of the cases cited by petitioner did not involve a finding of inherent distinctiveness (Br. in Opp. 7-15), nevertheless acknowledged the conflict on whether secondary meaning is required even where, as here, the jury finds the trade dress to be inherently distinctive. *Id.* at 15. In particular, respondents' brief in opposition stated that the general rule in the Second Circuit is that proof of secondary meaning is required even for inherently distinctive trade dress (*id.* at 15), while that rule has been expressly rejected in the

ice itself (features actually or potentially shared by competing brands of the same product or service). See Section 2(f) of the Lanham Act, 15 U.S.C. § 1052(f) ("merely descriptive" mark can be protected if it has "become distinctive"). By contrast, a mark or dress is "inherently distinctive," as the term suggests, because of its *inherent* characteristics: because, from its inception and regardless of whether consumers yet associate it with a particular source, it is sufficiently different from other marks or trade dresses as to distinguish the particular source for the product or service—that is, the source's goods or services "may be distinguished from the goods [or services] of others" by that mark or trade dress (Section 2 of the Lanham Act, 15 U.S.C. § 1052). This means that the mark or trade dress must be "arbitrary," "fanciful," or "suggestive," and not "generic" or "merely descriptive"; in addition, it cannot be "functional" (i.e., effectively part of the product or service itself). The definitions of these concepts are well-established, as embodied in Section 2 of the Lanham Act (15 U.S.C. § 1052), and are not the subject of any lower court conflict. See, e.g., *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 194 (1985); 1 J. McCarthy, *Trademarks and Unfair Competition* ch. 11, §§ 15:1-15:2 (2d ed. 1984); 3 R. Callman, *The Law of Unfair Competition, Trademarks, and Monopolies* § 18.01 (4th ed. 1983).

The court of appeals in this case captured the essence of the difference between the concepts when it explained that "the legal recognition of an inherently distinctive trademark or trade dress acknowledges the owner's legitimate proprietary interest in its unique and valuable informational device, regardless of whether substantial consumer association yet bestows the additional empirical protection of secondary meaning." 932 F.2d at 1120 n.7.

Fifth Circuit, see *Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc.*, 659 F.2d 695, 702 (1981), cert. denied, 457 U.S. 1126 (1982), as well as in at least the Seventh and Eleventh Circuits. See Br. in Opp. 9-11. In view of this Court's general criteria for granting certiorari, it would appear that this conflict over a significant legal question provided the basis for review in this case.

Now that petitioner has filed its brief on the merits, however, it is clear that petitioner simply has not joined issue on the question whether secondary meaning must be proved even for an inherently distinctive trade dress. Not only does petitioner never affirmatively make such an assertion, but petitioner's brief repeatedly assumes, and at least once explicitly concedes, that liability under Section 43(a) of the Lanham Act, even for trade dress, may rest on *either* a finding of inherent distinctiveness *or* a finding of secondary meaning. See, e.g., Pet. Br. 11, 13, 17, 27; *id.* at 9 n.13 ("In order to establish liability on Taco Cabana's trade dress claim, it was necessary for Taco Cabana to prove (i) that its trade dress was inherently distinctive, without proof or a finding by the Jury that the trade dress lacked secondary meaning, *or* (ii) that the trade dress had secondary meaning, although it was not inherently distinctive.") (emphasis added). Moreover, far from directly challenging the *Chevron* decision that articulated the Fifth Circuit side of the inter-circuit conflict on this point, petitioner now merely argues that *Chevron* has been read too broadly (Pet. Br. 11); by the same token, at no place in its entire brief does petitioner cite any of the Second Circuit decisions that are in conflict with the Fifth Circuit *Chevron* rule that secondary meaning need not be shown for an inherently distinctive trade dress.

Instead, petitioner argues only that, contrary to the jury finding, respondents do not have an inherently distinctive trade dress. Petitioner's arguments in support of that contention are that (a) the jury finding mistook a restaurant "concept" for protectable trade dress (Pet. Br.

5-9); (b) the jury finding that respondents' trade dress lacked secondary meaning "in the Texas market" as a whole (932 F.2d at 1117, 1120 n.7) precludes a finding of inherent distinctiveness of respondents' trade dress (*id.* at 9-10, 15-16, 18-19);³ (c) trade dresses are not "usually" inherently distinctive (*id.* at 10-13); (d) restaurant trade dresses are "rarely" inherently distinctive (*id.* at 17-18); and (e) the trade dress of respondents in particular is not inherently distinctive (*id.* at 19-26), because it "contains many functional elements" (*id.* at 19-20) and because it is "descriptive and generic" (*id.* at 20-21).⁴ Neither these arguments, nor the overall conclusion that respondents' trade dress is not inherently distinctive, addresses the only legal issue on which a circuit-court conflict exists, as previously alleged by petitioner and acknowledged by respondents.

Moreover, none of petitioner's present arguments is itself an appropriate candidate for certiorari review (putting aside entirely for purposes of this motion the merits of these arguments). To the extent that petitioner challenges the particular jury finding of inherent distinctiveness in this case, the issues raised are patently case-specific and factual. And to the extent that petitioner ad-

³ Petitioner's argument on this point is *not* that secondary meaning is always required: petitioner explicitly acknowledges that inherent distinctiveness would be enough if the jury had not made any finding on secondary meaning at all. Pet. Br. 9 n.3. Petitioner's contention is instead that the presence of a jury finding of *no* secondary meaning (in the State as a whole) precludes liability under Section 43(a) because, petitioner suggests, it undermines the finding of inherent distinctiveness.

⁴ Petitioner's final reason why respondents' trade dress is not inherently distinctive is that it is used not by respondents alone but also by the TaCasita restaurant chain, a spin-off of respondents' chain subject to a trade dress licensing agreement. *Id.* at 22-26. This contention, however, is plainly outside the scope of the question presented and is nowhere to be found in the petition for a writ of certiorari. It is therefore not properly before this Court.

vances supporting arguments as purported rules of law, petitioner has cited, and can cite, not a single lower court holding that supports any of them. No court has held that trade dresses are not "usually" inherently distinctive, that the trade dress of *restaurants* can never or "rarely" be inherently distinctive, or that a finding that a trade dress lacks secondary meaning throughout a State (*i.e.*, there is no present consumer association of the trade dress with a particular source in the Texas market as a whole) somehow precludes a finding that the trade dress is inherently distinctive (*i.e.*, intrinsically distinguishing and not generic, merely descriptive, or functional).⁵ Quite simply, there is no warrant for the Court to devote its resources to addressing any of petitioner's present contentions.

In sum, this case no longer presents the only legal question raised in the petition on which there was an intercircuit conflict and that presumably led the Court to grant review. In these circumstances, the Court should dismiss the writ as improvidently granted and await a different case to resolve the conflict over whether secondary meaning must be shown in order for an inherently distinctive trade dress to be protected under Section 43(a) of the Lanham Act (as amended in 1988).⁶ *See, e.g., Rudolph v. United States*, 370 U.S. 269 (1962) (dismissing petition as improvidently granted where case turned out to present only case-specific questions); *Southern Power Co. v. North Carolina Public Service Co.*, 263 U.S. 508 (1924) (same);

⁵ To the extent that petitioner suggests that the presence of functional elements in respondents' trade dress precludes its protection, petitioner is simply trying to argue the question—Question 2 of the petition—on which this Court has already decided not to grant certiorari.

⁶ We note that the Second Circuit has not, to our knowledge, expressly analyzed the impact of the 1988 revision of Section 43(a), and of the Lanham Act generally, on the legal question presented here. *See* Trademark Law Revision Act of 1988, Pub. L. No. 100-667, Title I, 102 Stat. 3935 (1988).

R. Stern, E. Gressman, & S. Shapiro, *supra*, at § 5.15, at 288-93.

Respectfully submitted,

RICHARD G. TARANTO
(Counsel of Record)
H. BARTOW FARR, III
JOEL I. KLEIN
KLEIN, FARR, SMITH & TARANTO
2550 M Street, N.W.
Washington, D.C. 20037
(202) 775-0184

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